

# REQUEST: NON-COMPETITIVE AMENDMENT

APPROVED

Commissioner of Finance & Administration  
Date:

Each of the request items below indicates specific information that must be individually detailed or addressed as required.  
A REQUEST CAN NOT BE CONSIDERED IF INFORMATION PROVIDED IS INCOMPLETE, NON-RESPONSIVE, OR DOES NOT CLEARLY ADDRESS EACH OF THE REQUIREMENTS INDIVIDUALLY AS REQUIRED.

RFS #	343.39-008		
STATE AGENCY NAME :	Department of Health		
SERVICE CAPTION :	Computer Services		
CONTRACT #	FA-01-14207-00	PROPOSED AMENDMENT #	3
CONTRACTOR :	Custom Data Processing, Inc.		
CONTRACT START DATE :	October 1, 2000		
CURRENT, LATEST POSSIBLE END DATE : (including ALL options to extend)	March 31, 2005		
CURRENT MAXIMUM LIABILITY :	\$974,750		
LATEST POSSIBLE END DATE WITH PROPOSED AMENDMENT : (including ALL options to extend)	September 30, 2005		
TOTAL MAXIMUM COST WITH PROPOSED AMENDMENT : (including ALL options to extend)	\$1,082,750		
APPROVAL CRITERIA : (select one)	X use of Non-Competitive Negotiation is in the best interest of the state		
	only one uniquely qualified service provider able to provide the service		

## ADDITIONAL REQUIRED REQUEST DETAILS BELOW (address each item immediately following the requirement text)

(1) description of the proposed additional service and amendment effects : This amendment request is for an extension of the current contract term only. There are no additional services proposed. By extending the term of the CDP contract from March 31, 2005, to September 30, 2005, we will be able to process a large group of permit renewals, e.g. public swimming pools, beginning in March 2005 and extending into the summer months of 2005, in addition to other routine permit renewals.

(2) explanation of need for the proposed amendment : The proposed contract extension allows for the normal smooth completion of the application, revenue collection and permitting processes. In addition to the systems development time, the extension would provide continued services from the provider for computer services for more than 150,000 environmental and safety inspections and include data maintenance, reporting, issuance of applications and permits for the more than 33,000 food service establishments, hotels, bed and breakfast, child care facility, school plant facility, organized camps, tattoo and body piercing facilities, public swimming pools, general public complaints and rabies control.

(3) name and address of the proposed contractor's principal owner(s) : . The current contractor is Custom Data Processing, Inc., One West Harris Ave, P.O. Box 2235, La Grange, IL., 60525. Principal owners: President; Jack Marston.

(not required if proposed contractor is a state education institution)

(4) documentation of OIR endorsement of the Non-Competitive procurement request :  
(required only if the subject service involves information technology)

select one: Documentation Not Applicable to this Request X Documentation Attached to this Request

(5) documentation of Department of Personnel endorsement of the Non-Competitive procurement request :  
(required only if the subject service involves training for state employees)

select one: X Documentation Not Applicable to this Request Documentation Attached to this Request

(6) description of procuring agency efforts to identify reasonable, competitive, procurement alternatives rather than to use non-competitive negotiation : As described in item (7) below, the Department has determined that the use of a competitive RFP process is in the best interest of the State. This amendment will allow time for the RFP process to be completed.

(7) justification of why the F&A Commissioner should approve a Non-Competitive Amendment : The Department of Health has contracted with CDP on a non-competitive basis since 1984. The contract was amended in August 2004 to extend the termination date to March 31, 2005, to allow the Department time to explore options for a replacement system or services. We have completed our investigation and have determined that issuance of an RFP for computer services is the most appropriate of the alternatives we explored. Please see Attachment 1 for additional justification.

**AGENCY HEAD REQUEST SIGNATURE:**

(must be signed by the ACTUAL procuring agency head as detailed on the Signature Certification on file with OCR — signature by an authorized signatory will be accepted only in documented exigent circumstances)



12/29/04

SIGNATURE DATE:

## ATTACHMENT 1 TO REQUEST: CUSTOM DATA PROCESSING NON-COMPETITIVE AMENDMENT

The Department of Health has contracted, on a non-competitive basis, with Custom Data Processing, Inc. (CDP) for computer services in support of the Department's Environmental Health Management Information System (EHMIS) since 1984. CDP provides computer services that support the licensure and regulation activities of the General Environmental Health Section, which includes processing applications for licenses and permits, billing and fee collection, inspection management and data collection, violation tracking, training and certification management, complaint tracking, performance data analysis, and general reporting. This amendment will allow the Department adequate time to prepare a Request for Proposals and complete a competitive procurement process, while allowing existing services to continue in the interim. At the point in time when a new contract is fully executed, CDP will not be authorized to perform additional services for the Department.

Since August 2004 the Department has examined the alternatives for meeting the long-term needs of the General and Environmental Health Section's EHMIS and has determined that it is the best interest of the State to procure the necessary computer services, which we will obtain through a competitive procurement process. The Department will award a competitive contract for new computer services, with updated functional and technological requirements, at what we expect to be a lower cost than what we pay for current services. We believe that this competitive procurement can be completed and a contract awarded by September 30, 2005, if not sooner.

We have evaluated our options to acquire a new system, i.e. bringing the system in-house, or sharing a system with other department(s) of State government. We have determined that in addition to an expected higher initial and on-going operating cost, the time required to implement either of these options exceeds the expected time required to award a competitive contract for a new service.


As mentioned above, the Department has investigated several courses of action. These can be summarized as follows:

- a. As of November 2004, the Office for Information Resources (OIR) awarded a contract for a Regulatory Board System (RBS) that will be utilized by at least three departments within State government. This system is designed to be used by agencies that license individuals and establishments. The Department investigated the possibilities of replacing the services currently provided by CDP with the RBS. Based on the cost proposals for the RBS, it was obvious that the cost of the Regulatory Boards System would exceed the cost of a contract for computer services to meet the modest needs of the General and Environmental Health section. Because the particular requirements for the EHMIS were not included in the RFP for the RBS, it will take additional time to implement this alternative. The current project schedule for the RBS system would delay the implementation of this system for the General and Environmental Health Section past the expiration of the current contract with CDP, or the expected date for the implementation of a competitive contract for a new service.
- b. The option of issuing a Request for Proposals (RFP) and contract award for the purchase of license for a system to be installed and operated in-house was immediately discarded. Based on the experience of the RBS project team, it is estimated that it would take up to two (2) years to complete that process.

- c. We investigated using the work done by the Department of Agriculture for their licensure and regulation needs and have determined that their requirements, while superficially similar, are fundamentally different than our own. They have less need to relate multiple licenses held by the same licensee than Health, which would require a major restructuring to their application to provide one file for all the licensees, instead of Agriculture's separate files for the licensees for each establishment type. Many of the specific details of licensure are different between the departments, which would require more time and cost than Health is willing to invest, given that the application is available as a service for the establishment types of interest to the Department of Health, at less cost. The workload and priorities for the IT Development Staff in the Department of Health would delay the implementation of such a system so long that a contract for a service to provide for this requirement would be an interim necessity. For these reasons the Department of Health has determined that adoption of the Department of Agriculture system is not a feasible option.
- d. Discussions were held with National Information Consortium (NIC), the company that has the contract to operate the State Portal. We clarified that NIC could only provide a partial solution to the Department of Health's systems needs- the web license/renewal (fee collection) part - and all other transactions would have to be handled by some other application. At this time, NIC can not issue permits or capture inspection data. Therefore, using NIC is not a viable option.
- e. The last option is to develop an RFP for computer services and select a contractor by competitive procurement. We expect the current provider, as well as other computer systems service suppliers, to respond to the Request for Proposals. This is the option we wish to pursue.

## STATE OF TENNESSEE

## FAX TRANSMITTAL

TO:	Bill Ezell, Chief Executive Officer Office for Information Resources	FAX # 741-4589
FROM:	Ben Riley, Director, Division of Contract Review, Tennessee Department of Health	FAX # 253-1998
DATE:	December 28, 2004	
REF#	343.39-008	
RE:	OIR Procurement Endorsement Documentation for extension of the contract with Custom Data Processing, Inc. (FA-01-14207-00), for computer services for General and Environmental Health	
NUMBER OF FAX PAGES (INCLUDING COVER): NUMBER		
<p>The proposed, service procurement documents referenced above are hereby forwarded to the Office for Information Resources (OIR) for review. The subject scope of services appears to include information systems services or information technology support activities.</p> <p>This communication seeks to ensure that OIR is aware of the procurement and has an opportunity to review the matter to determine whether OIR is supportive. Please indicate OIR endorsement of the procurement described by signature below and return this communication at your earliest convenience (note the return FAX number above).</p> <p>If you have any questions or concerns about this matter, please call Ben Riley at 741-1614.</p> <p>Thank you for your help.</p> <p>Attachment</p>		
OIR ENDORSES THE SUBJECT PROCUREMENT REQUEST		
		12-29-2004
Office for Information Resources		Date

# CONTRACT SUMMARY SHEET

RES Number	343.39-008-01	Contract Number	FA-01-14207-02
State/Agency	Tennessee Department of Health	Division	Health Services Administration
Contractor		Contractor Identification Number	

Custom Data Processing	X	V-	V-36-3022123-00
		C-	

Service Description
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Online computer service for General Environmental Health

Contract Begin Date	1-Oct-00	Contract End Date	31-Mar-05
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Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
343.39	01	139	11	Y	on STARS	

FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount Include ALL amendments
2001	\$162,500.00				\$162,500.00
2002	\$216,700.00				\$216,700.00
2003	\$216,700.00				\$216,700.00
2004	\$216,100.00				\$216,100.00
2005	\$162,750.00				\$162,750.00
					\$0.00
Total	\$974,750.00	\$0.00	\$0.00	\$0.00	\$974,750.00

CFDA Number		Check the box (below) ONLY if the answer is YES
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State Fiscal Contact	Is the Contractor a SUBRECIPIENT? (per OMB A-133)	
Name: Wayne Pierson	Is the Contractor a VENDOR? (per OMB A-133)	Y
Address: 10th Floor, Andrew Johnson Tower	Is the Fiscal Year Funding STRICTLY LIMITED?	
Phone: 741-9419	Is the Contractor on STARS?	Y
Procuring Agency Budget Officer Signature	Is the Contractor's FORM W-9 ATTACHED?	
	Is the Contractor's Form W-9 Filed with Accounts?	Y

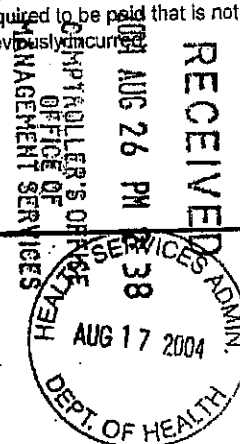
*Wayne Pierson / dp*

COMPLETE FOR ALL AMENDMENTS (only)	Funding Certification
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	Base Contract & Prior Amendments	This Amendment ONLY
End Date	7/1/2004 to 3/31/2005	3/31/2005
FY 2001	\$162,500.00	
FY 2002	\$216,700.00	
FY 2003	\$216,700.00	
FY 2004	\$216,100.00	
FY 2005		\$162,750.00
Totals	\$812,000.00	\$162,750.00

Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.

SEP - 9 2004



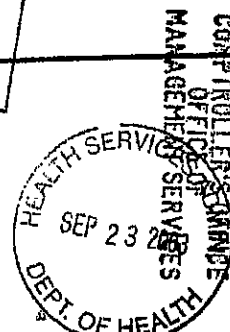
## CONTRACT SUMMARY SHEET

RFS Number	343.39-0408-01 -008		Contract Number		FA-01-14207-01	
State Agency	Tennessee Department of Health		Division		Health Services Administration, Fiscal	
Contractor			Contractor Identification Number			
Custom Data Processing			X	(V-)	36-3022123-00	
				C-		
Service Description						
Online computer service for the General Environmental Health Program						
Contract Begin Date			Contract End Date			
10/1/2000			6/30/2004			
Allotment Code	Cost Center	Object Code	Fund	Grant	Grant Code	Subgrant Code
343.39	01	139	11	X	on STARS	
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount include ALL amendments	
2001	\$162,500.00				\$162,500.00	
2002	\$216,700.00				\$216,700.00	
2003	\$216,700.00				\$216,700.00	
2004	\$216,100.00				\$216,100.00	
					\$0.00	
					\$0.00	
Total	\$812,000.00	\$0.00	\$0.00	\$0.00	\$812,000.00	
CFDA Number			Check the box (below) ONLY if the answer is YES			
State Fiscal Contract			Is the Contractor a SUBRECIPIENT? (per OMB A-133)			
Name: George Womack			Is the Contractor a VENDOR? (per OMB A-133)			
Address: 10th Floor, Andrew Johnson Tower			Is the Fiscal Year Funding STRICTLY LIMITED?			
Phone: 741-1614			Is the Contractor on STARS?			
Procuring Agency Budget Officer Signature			Is the Contractor's FORM W-9 ATTACHED?			
George Womack / as			Is the Contractor's Form W-9 Filed with Accounts?			
			Funding Certification			
			Pursuant to T.C.A., Section 9-6-113, I, M. D. Goetz, Jr., Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.			
COMPLETE FOR ALL AMENDMENTS (only)						
Base Contract & Prior Amendments		This Amendment ONLY				
End Date >	9/30/2003	6/30/2004		OCT 20 2003		
FY	2001	\$162,500.00	\$0.00			
FY	2002	\$216,700.00				
FY	2003	\$216,700.00	\$0.00			
FY	2004	\$54,100.00	\$162,000.00			
FY						
FY						
Totals	\$650,000.00	\$162,000.00				

PROCESSED

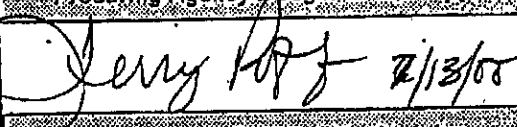
OCT 20 2003

DIRECTOR OF ACCOUNTS



2003 SEP 30 PM 3:32

RECEIVED

CONTRACT SUMMARY SHEET									
Contract Number: <b>FA-0-14207-00</b>				State Agency: <b>Tennessee Department of Health</b>					
RF# <b>343.39-008</b>				Division: <b>Health Services Administration</b>					
Contractor: <b>Custom Data Processings, Inc.</b>				Vendor ID Number: <b>363022123 - 00</b>					
				<input checked="" type="checkbox"/> V- <input type="checkbox"/> C-					
Service Description: <b>On Line Computer. Service for the General Environmental Health Program</b>									
Contract Begin Date: <b>October 1, 2000</b>				Contract End Date: <b>September 30, 2003</b>					
Allotment Code: <b>343.39</b>		Cost Center: <b>01</b>		Object Code: <b>139</b>		Fund: <b>11</b>		Grant: <input type="checkbox"/> on STARS	
Grant Code:		Subgrant Code:							
FY	State Funds	Federal Funds	Interdepartmental Funds	Other Funding	Total Contract Amount (including ALL amendments)				
01	162,500				162,500				
02	216,700				216,700				
03	216,700				216,700				
04	54,100				54,100				
Total:	650,000				650,000				
<input type="checkbox"/> Fiscal Year Funding is Strictly Limited				CFDA Number:					
<input checked="" type="checkbox"/> Contractor is on STARS				State Fiscal Contact:					
<input checked="" type="checkbox"/> Current Form W-9 On File With Accounts OR <input type="checkbox"/> Form W-9 Attached				Name: <b>Terry Poff</b> Address: <b>10 Floor, Andrew Johnson Tower</b> Phone: <b>741-9419</b>					
<input checked="" type="checkbox"/> Service Provider Registered with F&A				Procuring Agency Budget Officer Approval Signature:					
<input checked="" type="checkbox"/> Contractor is a SUBRECIPIENT (as defined by OMB Circular A-133)									
COMPLETE FOR ALL AMENDMENTS (only)				Funding Certification					
Base Contract & Prior Amendments		This Amendment ONLY		Pursuant to T.C.A., Section 9-6-113, I, John D. Ferguson, Commissioner of Finance and Administration, do hereby certify that there is a balance in the appropriation from which this obligation is required to be paid that is not otherwise encumbered to pay obligations previously incurred.					
Contract End Date:									
FY									
FY									
FY									
FY									
Total:				OCT 24 2000 DIRECTOR OF ACCOUNTS					

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RECEIVED  
 OCT - 9 AM 11:05  
 COMPTROLLER'S OFFICE OF  
 MANAGEMENT SERVICES